

**Summarized Minutes<sup>1</sup>  
Scottsdale Audit Committee  
Tuesday, July 18, 2006**



**Kiva Conference Room, First Floor, City Hall  
3939 North Drinkwater Boulevard  
Scottsdale, AZ 85251**

**Members Present:** Committee Member Ecton  
Committee Member Lane

**City Staff Present:** Cheryl Dreska, City Auditor  
Craig Clifford, Financial Services General Manager  
Lisa Murphy, Accounting Director  
John Little, Executive Director, Downtown Group  
Michelle Korf, Deputy Director, Downtown Group  
Cathy Patterson, Chair, Scottsdale Cultural Council Board of Trustees  
Jim Green, Vice President and CFO, Scottsdale Cultural Council  
Valarie Valdala Homer, Public Art Director, Scottsdale Cultural Council  
Lisa Blyler, Assistant to Mayor and Council  
Stella Fusaro, Senior Internal Auditor  
Ramon Ramirez, Senior Internal Auditor  
Gail Crawford, Internal Auditor

Committee Member Lane called the meeting to order at 1:10 p.m. Roll was taken absent one Committee Member.

Committee Member Ecton made a motion to approve the June 16, 2006, minutes. Committee Member Lane seconded the motion. The minutes were approved.

**General Business:**

**Item 1** – Discussion on the Sculpture Pad Program Audit. Cheryl Dreska introduced Stella Fusaro, the auditor in charge of this audit. Ms. Fusaro indicated that one issue was found. The Management Services Agreement requires that the Sculpture Pad Program be implemented and administered by the Cultural Council. The Program has been discontinued since 1992, however, it is still in the Management Services

---

<sup>1</sup> In accordance with provisions of the Arizona Revised Statutes, these summarized minutes are not verbatim transcripts.

Agreement. This was brought to the Joint Task Force on the Arts and they voted to recommend repeal of the ordinance to City Council.

Committee Member Ecton made a motion to approve the report. Committee Member Lane seconded the motion. The report was approved.

Ms. Dreska asked that the agenda be altered to discuss the Status of Current Projects to allow discussion with Cultural Council staff presently in attendance.

**Item 3c** – Ms. Dreska provided an update on the Management Services Agreement with the Scottsdale Cultural Council. The second segment, Inventory and Control Over the City's Collection, is underway with the testing of inventory.

There is a concern of whether to continue the audit or wait until a replacement for Mr. Jacobsen is found. Discussion ensued regarding audit continuation. The Committee directed Ms. Dreska to proceed with the audit.

**Item 3a** – Ms. Dreska provided an update on the Keypad System. The review has been completed and the report is out for comment with responses due July 31, 2006.

**Item 3b** – Ms. Dreska provided an update on the Disposal of Surplus Hard Drives. Fieldwork is being wrapped up and a draft report is scheduled for management review by August 4, 2006.

**Item 3e** – Ms. Dreska indicated that the first cash handling report has been completed and the second report has been drafted. As discussed in the past, all four audits will be completed and then a report brought to the Audit Committee.

**Item 3d** – Ms. Dreska provided an update on the Citations for Zoning Violations. This audit will need to be renamed to "Controls Over Tracking Code Enforcement Citations and the Maintenance of the City Abatement Fund." The scope of the audit is larger than just citations for zoning violations.

Ramon Ramirez provided an update on fieldwork for the audit. Mr. Ramirez stated that we are working with manual files and there will not be 100 percent assurance that we are working with the entire universe. Thus, a scope limitation will be noted in the report.

Ms. Dreska provided an update on the Vulnerability Testing that will take place August 7-18, 2006. Our participation will be limited to an oversight role. No report will be required.

**Item 2** – Ms. Dreska provided an overview of the recent Peer Review. Discussion ensued on the scope of the Review. Committee Member Ecton made a motion to approve the Peer Review Report. Committee Member Lane seconded the motion. The Report was approved.

**Public Comments** – None.

**Committee Comments** – None.

With no further business to discuss, Committee Member Ecton made a motion to adjourn the public meeting of the Audit Committee. Committee Member Lane seconded the motion and the motion carried. The Audit Committee Meeting was adjourned at 1:45 p.m.

Submitted by

Reviewed by

Gail Crawford  
Recording Secretary

Cheryl Dreska  
City Auditor